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SOCIAL ASPECTS OF FARM RESTRUCTURING IN FRANCE

ARGENTINA ADOPTS ECONOMIC MEASURES AGAINST INFLATION

WEST GERMAN IMPORTS OF U.S. FARM PRODUCTS

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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MAY 22, 1967

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Farmwife in French mountain Department of Jura helps stretch her family's income by making boxes for cheese. See opposite page for article on social problems surrounding France's program of farm modernization.

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Farm Restructuring in France —some social aspects

By MICHEL WACHE
Office of the U.S. Agricultural Attaché
Paris, France

Though farm modernization is the aim of the day, farms like this one in Brittany still form an important part of French agriculture.

What does a farmer do when after 60 years on a farm he finds his inefficient operation is not keeping up with the need for agricultural progress? Or, how does a government encourage young, capable farmers to stay in agriculture instead of taking those more attractive, often better-paying jobs in the cities?

These are just a few of the social problems the French Government has had to face in its program of farm restructuring and modernization—one of the country's major agricultural undertakings of this decade.

Set into motion by the Orientation Law of August 5, 1960, the program today is an amalgamation of land reform and farm aid activities aimed at reducing the number of small, inefficient farms in France without destroying the traditional system of family-type farming. The building up of this vast program and the several difficulties along the way point up the tremendous interdependence of economic and social reform.

Land restructuring comes first

First step in the program was the creation of an agency called SAFER to coordinate or achieve various land (reclamation and consolidation) and rural (infrastructure and housing) improvements. SAFER has the rights to the land market, with privileges to oppose land speculation. It purchases land to enlarge farms that are too small, to group small plots, and to create new farms (see *Foreign Agriculture*, Sept. 5, 1966).

To determine which farms should be bought or enlarged by SAFER, the French Government had to set up standards for judging farm efficiency. One criterion, of course, is minimum farm size, which varies with agricultural conditions of different regions but is usually around 50 acres. Another is managerial ability of the owner, with age the major factor here.

In support of the SAFER program, legislation was enacted to maintain efficient farms by controlling land transactions and inheritance. Any enlargement of a farm beyond a maximum size and any reduction below the minimum size is subject to the authorization of an ad hoc commission. Division of efficient farms is prohibited for at least 5 years after the death of the owner; then, preferential transfer to one of the heirs is allowed, subject to compensation of the coheirs, over a 10-year period if necessary. Accumulation of agricultural land by industrialists or businessmen is limited.

Young farmers plowing in the traditional way before planting potatoes.

Land restructuring, however, was not enough, for it uncovered a serious demographic problem: the high percentage of elderly farmers. Too old to efficiently run an operation, these farmers were nevertheless remaining on their land because of no alternative ways to earn a living. At the same time, young potential farmers, lacking land and capital, were leaving agriculture. The imbalance between land and labor was getting worse and worse.

FRANCE'S DISTRIBUTION OF FARM MANAGERS ACCORDING TO AGE

Age in years	Number	Percentage
Less than 25	7,170	0.0
25-34	166,570	8.7
35-44	390,350	20.5
45-54	404,670	21.3
55-64	571,670	30.0
65 and over	358,740	19.1
Total	1,899,770	100.0

Ministry of Agriculture, 1963.

Aggravating this problem were discrepancies at the regional level: western France has a very high density of farm population, while central and southwestern France have low numbers of people per unit of agricultural land.

Still, a transfer of farmers from one region to another would not prevent France from having an agricultural overpopulation problem. The reduction of active agricultural population is the normal consequence of economic expansion and technical progress. It is therefore little wonder that departures from agriculture speeded up between 1954 and 1962, with a yearly average of 150,000 people. But agricultural people, whose education is lower than in other economic sectors, are badly prepared for a move, and agricultural policy programs could not overlook this social problem.

To increase the farmers' mobility and thereby speed land reform the FASASA (Funds of Social Action for Improvement of Agricultural Structure) was created on August 12, 1962. According to the law, FASASA funds are provided during a 12-year period for:

- The allocation of additional pensions to aged farmers whose voluntary retirement favors land reform;
- Settlement or resettlement allowances;
- Vocational retraining grants for excess farmers or unemployed farm workers to encourage their employment in nonfarm activities.

Currently, most FASASA funds are being managed or granted through organizations set up prior to establishment of the funds. An exception is the retirement allocation, which is under the direct control of the Ministry of Agriculture.

It was originally provided, however, that a public agency would take care of all FASASA actions. Accordingly, the creation of the CNASEA (National Center for Improvement of Farm Structures) was announced in December 1966. The new agency is under the jurisdiction of the Ministry of Agriculture and will take over activities of the professional organizations by June 30, 1967. Its field of action is whatever concerns farm structure improvement except the SAFER program which is carried out independently.

BUDGET OF FRANCE'S FUNDS OF SOCIAL ACTION FOR IMPROVEMENT OF AGRICULTURAL STRUCTURE (FASASA)

Item	Amount		Percent
	1966	1967	1967
	1,000 U.S. dol.	*1,000 U.S. dol.*	*Percent*
Departure Life Indemnity	11,714	30,109	62.2
Migration	551	389	.8
Resettlement subsidies	490	346	.7
Resettlement loans	2,041	2,041	4.2
Professional training	9,087	10,332	21.2
Specific aid	612	1,224	2.5
Depressed region aid	1,837	3,878	8.1
Studies	571	163	.3
Total	26,903	48,482	100.0

To encourage elderly farmers to give up inefficient farming and thus free land for younger people, a complementary retirement pension using FASASA funds was established in 1963. This is known as IVD, or the Departure Life Indemnity. The amount of pension varies be-

tween $245 and $408 annually, according to the value of the freed farm. This subsidy is supplementary to the ordinary pensions from other sources.

Several conditions must be fulfilled. The farmer has to be over 65 years of age and must promise not to operate another farm. Also, his farm, which can be transferred to SAFER or to another farm through lease or sale, must help improve the land structure; i.e., the new holding must be at least the minimum size.

By the end of 1966, 72,664 retirement allocations had been granted with 40,385 of them granted in 1966 alone. Some 55,000 new beneficiaries are expected in 1967, and the budget this year has been increased to $30.1 million from the $11.7 million of 1966. The IVD program has permitted the transfer of 1,328,000 acres to 55,114 farmers wanting to increase their holdings. In addition, 1,885,000 acres have gone to 29,422 farmers beginning operation for the first time, and 60,600 acres have been transferred to the SAFER.

Agricultural migration and reinstallation

Two types of FASASA settlement subsidies help farmers move to areas where more efficient farming conditions can be found.

One of these subsidies goes to migrants who leave overpopulated agricultural regions, called "régions de départ," for underpopulated, or "régions d'accueil." In this case, the competent farmer leaves a "région de départ," like northern and western France or the Rhône Valley, and settles over a period of 5 years in a "région d'accueil," like central or southwest France. His new farm must be efficient and over 32 miles from the former farm.

From 1949 to 1966, 9,508 such migrations involving 49,935 farm people were sponsored. About 306,000 acres were left, and 793,000, resettled.

Between 1960 and 1963, the arrival of farmers from former French North Africa increased "artificially" the number of migrations, but the number is now down to an average of 420 a year. The subsidy covers moving expenses and some of the expenditures necessary to equip and reclaim a new farm; $390,000 is provided for 1967.

The other type of subsidy is for farmers who move from marginal to efficient farms. The resettlement can take place within or outside a region but cannot be in opposition to the encouraged migrations. In this case, the farm left is taken into consideration; it has to be smaller than 1.5 times the minimum size and be used to improve farm structure or ease the settlement of young farmers. The new farm must be efficient but can be located near the former one.

This part of the program, though begun only in 1965, seems more successful than migration; 600 resettlements took place in 1966 alone, mostly in western France.

Its subsidies cover part of moving expenses—at most, $980 per farmer. Also, since 1966, financial help of up to $610 per person has been granted to farmers who shift from traditional to more rewarding activities, such as flower or fruit production. About $490,000 was paid out as subsidies and $2 million loaned for reinstallation and conversion of activities in 1966.

Rural exodus does not concern agriculture alone. Other industries capable of hiring farmers or potential farm laborers must be in the program. Thus, the agricultural organizations FNSEA and CNJA joined with the worker unions CFDT and FO to create in 1964 the AMPRA (Association for Professional Transfers in Agriculture). AMPRA gives information on transfer possibilities and studies the applicants' files.

By June 1966, 11,016 applicants had been selected and given financial help. Such applicants have to be farmers or farmers' sons, under 45 years of age, and must be considered as excess labor—that is, working on too small a farm or having been evicted. The grant is designed to cover maintenance expenses during a retraining period, which may vary from 3 to 12 months; moving expenses; and cost of training.

The budget for this part of FASASA increased from $9.1 million in 1966 to $10.3 million in 1967. The average cost was $1,320 per trainee.

On August 9 and 17, 1966, two supplementary decrees were issued. One of these concerns the maintenance of farmers in depressed regions where the agricultural population is found to be too low. A subsidy limited to $816 encourages them to improve their efficiency, and some help is provided for the education of their children. In return, these farmers promise to stay in the region for at least 10 years.

According to the second decree, farmers living on small farms can receive a special subsidy for their children who go to school after the compulsory age limit (now 16 years).

Mechanized corn harvesting, top, typifies modern French agriculture; below, underemployed farmers. Photos this story, cover courtesy French Ministry of Agriculture.

Argentina Adopts Economic Measures To Check Inflation

If successful, the program would make farming more profitable, increase output, and enhance the country's position in world agricultural markets

By JOSEPH C. DODSON
U.S. Agricultural Attaché, Buenos Aires

Agriculture is vitally important to Argentina's economy. Its products provide more than 90 percent of the country's total export earnings, and internally, the agricultural contribution to the gross national product in recent years has averaged about 16 percent, with little tendency to fluctuate. In addition, agriculture represents a huge market for industry, particularly in farm machinery and implements.

Agricultural production, however, has lagged far behind the potential afforded by the country's rich soils and favorable climate. Part of this lag stems from the ease with which products could be extracted from the soil without undue effort, providing a relatively comfortable life.

Much more is the result of government policies which have inhibited capital investment and the application of modern technology. Furthermore, agricultural stagnation has both contributed to and been influenced by the general sluggishness in Argentina's economy in recent years.

Measures to check inflation

Argentina's total economic policy, with all of its implications for agriculture, came up for reevaluation in March, with the promulgation of a series of measures—and the anticipation of more—aimed at a "great transformation" of the country's drifting economy. The immediate goal of the government is to put a stop to inflation.

The key element of the program announced in March was a major devaluation of the peso. The new rate is 350 pesos to $1.00 compared with the previous rate of 250. There is free convertibility at the new rate. To back up its financial capacity, the government has obtained standby credits from foreign official and private sources of $400 million, including a $125-million credit from the International Monetary Fund.

The currency devaluation, however, was only part of the package designed to restore economic order, for without getting at the fundamental causes of inflation, this would be only another in a long series of devaluations. Accordingly the government has trained its sights on the chronic, heavy budget deficit.

Measures started or announced include reorganization of state enterprises, such as railways, telephone, gas, and others; tax reforms; lowering of import duties on a wide range of products; export taxes on most export items; new export index values (on which the taxes are based); and restrictions on wage increases.

Though business, labor, and agriculture all have been cautioned to expect some pinch from this series of measures during the period of transition to what is hoped will be a soundly based economy, the reception so far has been favorable on the whole. The program is generally regarded as the first in-depth, integrated attack on the country's economic ills—especially inflation—in years.

Agriculture would benefit

What are the implications for agriculture, domestically and in foreign trade?

They could be profound. If the program succeeds, the upward spiral in the farmer's cost of production will be checked. Interest rates, now exorbitant, will decline, making capital investment more feasible; already there are some indications of this. The pesos—no longer overvalued—that the farmer receives will have more purchasing power. Also, a more efficient and competitive domestic industry will be producing farm requisites at relatively lower prices.

All of this could add up to an incentive to increase production, providing greater capability for doing so. For most of the country's agricultural products, increased production would mean greater export availabilities.

There are immediate effects on foreign trade. The 40-percent devaluation of the peso opened the door to lower export pricing. The government at once partially closed that door with the imposition of export taxes on most products. The taxes were calculated so as to make the returns to exporters about the same as, or only slightly above, predevaluation levels. Exceptions applied to products which had been noncompetitive in foreign trade; for these a lower export tax, or none, was provided.

The new export taxes replace the "retentions" which had formerly been in effect for a small number of commodities.

In decreeing the system of export taxes, the government announced its intention of gradually reducing them. As it does so (and if the peso value is maintained), the exporter will be in a position to pay higher prices to the producer and/or to lower export prices to meet world competition. In any case, the government has at hand a tool to deal with either domestic or foreign pricing problems.

Tax rebates canceled

Concurrent with these measures, the government discontinued the previous system of granting tax rebates (which had ranged from 6 to 18 percent) on exports of nontraditional products (cotton, rice, and meat products were among the items favored by rebates). Instead, preference was given to those products in the form of lower export taxes. For instance, the export tax on wheat and corn, on which there had been no rebate, is the maximum 25 percent; rice had enjoyed an 18-percent rebate, and the export tax is now 16 percent.

Wheat and cotton offer two examples of the effect of the devaluation and related measures. For wheat, the exporter formerly received 250 pesos for each dollar of sales; now he receives 350 pesos less the 25-percent export tax of 87.5 pesos, for a net of 262.5 pesos. For cotton, the exporter formerly received 250 pesos plus a rebate of 12 percent; now he receives 350 pesos less an export tax of

20 percent, or 70 pesos, for the same net of 280 pesos. (These calculations do not include a relatively small effect from changes in export index values, on which the tax is based.)

Import duties lowered

On the import side there has been a general lowering of duties. The objective was to keep the costs of imported items near the levels existing before devaluation, and thus prevent sharp price increases. The highest rate of duty is now 140 percent, whereas formerly some rates were over 300 percent.

Among agricultural products of interest to the United States, import duties have been lowered for leaf tobacco, cigarettes, vegetable oils, potatoes (seed and table use), eggs (table use), and hops. Although reduced, some of these remain at high levels. There is no change for breeding livestock and forage seeds.

Another significant change is a sharp reduction in the list of items which are prohibited import. No agricultural products are prohibited.

Since the government's new economic program has just been launched, it is too early to predict the outcome. Immediate and dramatic improvements are not expected. What will be watched during the coming months as the chief indicator of success or failure is the rate of inflation. If there is a significant slowing down, then Argentina may at last be on the way to stability and economic growth. Increased agricultural production and exports would in all likelihood be a part of that growth.

German Imports of U.S. Farm Products Soar to New High

West German purchases of U.S. farm products last year rose to a record-breaking $677 million—the third straight high for such trade and 11.5 percent above the 1965 level. With this gain, the United States recouped its 1965 loss in market share; it now holds 13.9 percent of the market, or the same as the high level for 1964.

Total farm imports into West Germany, by contrast, decreased some 2 percent from 1965. A drop in purchases from other third countries was responsible for this falling off in trade.

Soybeans biggest import, biggest gainer

The United States last year was West Germany's top supplier of soybeans, tobacco, flaxseed, tallow, variety meats, barley, oats, rye, sorghum, rice, lentils, hops, cottonseed oil, and canned poultry, peaches, and cherries. Soybeans, however, were far and away the leading item in this group, accounting for $185 million, or nearly 27 percent of all farm imports from the United States. In addition, Germany imported $59 million of U.S. soybean meal, bringing to $244 million the total for soybeans and soybean meal.

Besides being our largest dollar earner in Germany, soybeans also registered the biggest gain—up $46 million from 1965. Purchases of wheat showed a good advance—and the largest percentage increase—rising some $15 million to $39 million, as did takings of U.S. tobacco, up $14 million; feedgrains, $10 million; and oilmeal, $8 million.

Gains were not to be had for all products, however. Cotton fell again, to $21 million from 1965's low $24 million. Poultry meat continued the downward plunge begun after establishment of the EEC's restrictive Common Agricultural Policy for Poultry. Imports of U.S. vegetable oils and canned fruits and vegetables also fell.

Common Market levies were applied to about 28 percent of these products, including wheat, feedgrains, rice, poultry, and eggs. About 43 percent of the imports were duty free—e.g., oilseeds, oilmeal, cotton, and hides—while the remaining 20 percent were subject to specific import duties.

As in past years, these imports were well above data on U.S. exports to West Germany. At $495 million, f.o.b., U.S. agricultural exports to West Germany were 27 per-

VALUE AND SHARE OF MAJOR GERMAN IMPORTS FROM THE UNITED STATES, OTHER THIRD COUNTRIES, AND THE EEC IN 1966

From United States			From EEC			From other non-EEC		
Item	Value	Share	Item	Value	Share	Item	Value	Share
	Mil. dol.	*Percent*		*Mil. dol.*	*Percent*		*Mil. dol.*	*Percent*
Soybeans	185	94	Fresh vegetables	195	83	Coffee	282	100
Feedgrain	120	32	Feedgrain	185	49	Cotton	167	88
Tobacco	91	43	Deciduous fruit	151	60	Oilmeal	121	57
Oilmeal	66	31	Poultry	107	71	Wool	120	91
Wheat	39	31	Flowers	103	88	Tobacco	118	57
Poultry	22	13	Meat	101	45	Meat	109	50
Cotton and lint	21	12	Cheese	78	66	Deciduous fruit	102	39
Canned fruit	16	25	Wine	74	74	Vegetable oil	100	83
Variety meats	12	47	Citrus	60	42	Bananas	84	100
Hides	11	13	Eggs	54	76	Citrus	83	57
Rice	10	36	Canned vegetables	41	48	Cattle	82	97
Tallow	8	66	Nuts	41	45	Feeds	81	85
Flaxseed	8	79	Wheat	36	28	Canned fruit, veg.	75	50
Vegetable oil	8	6	Milk products	34	94	Feedgrain	74	19
			Potatoes	33	87	Cacao	62	100

NOTE: Caluculations of the percentage share of the total imports are based only on the value of the imports. This results in inflating the share from EEC countries for this products that have high levies or duties. Since the levies and duties on intra-EEC trade have been reduced sharply, their products command a higher c.i.f. import value than for similar products from non-EEC countries. Whereas the EEC share of import value of feedgrain was 49 percent in 1966, its share of quantity was only 39 percent.

VALUE OF WEST GERMANY'S[1] AGRICULTURAL AND TOTAL IMPORTS FROM THE UNITED STATES AND FROM ALL COUNTRIES

Year	Imports from the United States				Total from all countries			
	Agricultural[2]	Nonagricultural	Total	Percent agricultural	Agricultural[2]	Nonagricultural	Total	Percent agricultural
	Mil. dol.[3]	*Mil. dol.*[3]	*Mil. dol.*[3]	*Percent*	*Mil. dol.*[3]	*Mil. dol.*[3]	*Mil. dol.*[3]	*Percent*
1963	483	1,505	1,988	24.3	3,742	9,327	13,069	28.6
1964	587	1,430	2,017	29.1	4,222	10,488	14,710	28.7
1965	607	1,692	2,299	26.4	4,927	12,685	17,612	28.0
1966	677	1,618	2,295	29.5	4,865	13,302	18,167	26.8

[1]Including West Berlin. [2]Agricultural, including food and agricultural products but excluding lumber and products made from hides and textiles. [3]Dollar values calculated at 4.00 DM per dollar. Compiled from official and foreign trade data.

cent below the import figure of $677 million, c.i.f. This discrepancy can be explained by the 10-15 percent charged for ocean freight and included in West German import figures, as well as by inclusion of items that were exported to the Netherlands or Belgium and then transshipped on to West Germany.

Trade with other third countries declines

Since West Germany is only about 70 percent self-sufficient in food and has almost no natural fibers, it is one of the world's largest importers of agricultural products. Total agricultural imports from all sources, however, fell by 2 percent in 1966 to just below $4.9 million, accounting for nearly 27 percent of the country's total import.

Responsible for this decline was a 6-percent drop in agricultural imports from third countries other than the United States. However, these countries still held an impressive share—53.6 percent—of the German market. By comparison, their share was 56.2 percent in 1965 and 59.3 percent in 1960-61.

A large part of Germany's 1966 imports from other third countries consisted of tropical products like coffee, cocoa beans, bananas, and spices. African oilseeds and oils, cotton, wool, oilmeal, meat, and cattle were also important items. Roughly half of the value of these products was subject to specific duties, and a relatively small portion, to variable levies.

Imports from fellow EEC members increased by only 2 percent in 1966, but this was enough to raise their share of farm imports to 32.5 percent from 31.5 percent in 1965 and 27.1 in 1960. As in previous years, this trade accounted for the bulk—84 percent—of total German imports from other EEC countries. Perishables—fresh fruits, vegetables and flowers, and dairy products—accounted for most of the imports, though one staple item—feedgrains—was third largest in value.

Outlook for 1967 uncertain

This year, the United States will probably not do so well in West Germany's farm market. With 1966 purchases of our products up a sharp 11.5 percent compared with the 5 percent that had been forecast, some tapering off appears to be in order. In addition, Germany's current economic slowdown raises the possibility of slackened import demand, and there is much uncertainty over the effect of forthcoming regulations on tobacco and other products.

Thus, while the 1966 level could possibly be maintained, a decline of 5 percent in imports of our products would not be surprising. Reduced imports seem probable for feedgrains, wheat, tobacco, poultry, and variety meats, while gains can be expected for cotton, hides, tallow, and pulses.

—Based on a dispatch from PAUL G. MINNEMAN
U.S. Agricultural Attaché, Bonn

Soviet Union Adopts Major Soil Erosion and Irrigation Program

The Soviet Government has announced an extensive soil erosion control program (*Pravda*, April 2, 1967). As an adjunct to its major program of land reclamation and irrigation announced in 1966, this program acknowledges the existence of and sets forth a program to correct some of the USSR's seriously neglected soil erosion problems.

The program is designed to strike at three kinds of erosion problems. These include erosion in many dry steppe regions, for example, the "new lands"; water erosion problems in various areas of European Russia; and erosion problems associated with several of the mountain areas of the Soviet Union.

Shelter belts to be planted

In addition to specific rotation and cultivation practices which are to be followed, the program stipulates that in the first phase (1968-70) shelter belts will be planted on 324,000 hectares and afforestation will be carried out on 827,000 hectares. Plans are being made for terracing operations which will be conducted on 89,000 hectares of the Soviet Union's mountainous areas.

The major financial burden of this program is to fall upon the State; and major governmental organizations are to supervise and, in many cases, actually carry out the work. Additional measures for control of soil erosion over the coming decade are to be worked out between the Ministry of Agriculture, Ministry of Forestry, and other related agencies in conjunction with the State Planning Organization.

Major soil erosion programs have been proposed in the past, and presumably much initial work was carried out on measures to correct these problems. However, it is apparent that the increasing seriousness of soil erosion and its effect on agriculture was generally ignored under Premier Khrushchev (1953-1964). This program appears to be a further indication of the generally serious and deliberate approach of the Soviet Government to major agricultural problem areas since 1965.

—BY HARRY E. WALTERS
Foreign Regional Analysis Division, ERS

Case study in pictures

Wheat Associates Program Boosts Use of U.S. Wheat in the Orient

From offices in four Asian capitals, Wheat Associates, USA—an overseas market development organization representing U.S. wheat producers—is engaged in developing and servicing markets for U.S. wheat in the Orient through a wide and varied program of promotion and technical assistance. The program includes training in modern techniques of bread, pastry, and pasta production; the introduction of Western-type baked goods; exchange visits of industry and government personnel; campaigns to improve nutrition standards; and promotion of wheat products through advertising, trade exhibits, and demonstrations.

Overseas offices are located in Tokyo, Japan; Manila, the Philippines; Taipei, Taiwan; and New Delhi, India. From the Tokyo and Taipei offices, WA aims some promotion at Hong Kong, a growing cash customer for U.S. wheat. Increasing attention is also being focused on Thailand—a small, but nevertheless a dollar market where demand for wheat foods is growing.

Oven, above, was designed for use in Indian villages; right, Japanese firms working with WA are honored at recent celebration of WA's tenth anniversary of its marketing program in Japan.

Left, a wheat industry team from the United States—on tour of markets in Asia—arrives by water taxi to inspect Thailand's only flour mill.

Below, Indian food demonstrators attend WA-sponsored baking course; at right, one of many Philippine schools where WA participates in school lunch program.

Expansion in Brazil's Cotton Output Slows Down But Domestic Textile Mills May Consume More

Prospects for continued increases in Brazil's cotton production over the next few years are doubtful. Even though the 1967-68 crop is expected to return to a more normal level after a substantial drop in 1966-67, sustained growth is unlikely unless government policies are modified to improve cotton's competitive position relative to other crops.

At the same time, there is considerable reason to believe that domestic use of cotton will rise, especially if the textile industry finds export markets for additional quantities of cotton fabric.

This view of the future of cotton in Brazil—along with a comprehensive look at the past and present—appears in *Brazilian Cotton: Trends and Prospects*, a new study by Vernon L. Harness of the FAS Cotton Division.

Acreage not expanding

Brazil's cotton acreage, unlike that of most of its crops, has not expanded in recent years because profits from cotton have become less attractive than those from other crops and livestock, and prices in international markets have been lower. Competition has grown intense for the cotton land in the southern part of the country. To offset the decline in acreage, emphasis is being placed on increasing yields.

Cotton has traditionally been one of Brazil's major export crops, second only to coffee among agricultural exports. Sizable exports of cotton provide much-needed foreign exchange and reduce the country's reliance on coffee as an exchange earner. However, although official policy proclaims expanded cotton exports as a national objective, government actions have, at times, been scarcely consistent with this aim.

Exports of cotton in recent years have totaled over a million bales (480 lb. net) annually, more than double the 1955-59 average. Through varietal-improvement work, Brazilian cotton is now considered competitive with longer lengths than it was several years ago. Last year, exports were freed from quota restrictions which permitted cotton to be shipped out of the country only after adequate supplies were insured for local mills.

Brazil's textile industry—the dominant one in South America—is one of the country's most important in terms of contribution to national income, providing jobs for about a quarter of the workers employed in manufacturing. In recent years, modernization programs have been implemented in many mills and some are now considered quite up-to-date in every way. On the other hand, little improvement has occurred in a substantial part of the industry. Despite serious problems—troublesome inventories and credit shortages—many plants are moving ahead with plans for continued improvements and modernization.

Self-sufficient in textiles

Expansion of the cotton textile industry has enabled Brazil to become self-sufficient in meeting its cotton textile needs. Exports have increased irregularly in recent years, while imports are negligible. At the present time, no flow of shipment to particular countries is apparent. Western Europe took most of Brazil's textile shipments in the late 1950's. Later, members of the Latin American Free Trade Association became major buyers. More recently, shipments to Western Europe have resumed, and sizable quantities have moved to the United States.

Exports expanded dramatically in 1965-66, with most of the impact felt in the United States. While Brazilian export data for 1966 are not available, U.S. import statistics show that more than 95 million equivalent square yards of Brazilian cotton textiles entered the United States in the 12 months ending last July. A substantial part consisted of piece goods and cotton yarn.

A copy of *Brazilian Cotton: Trends and Prospects* is available free from the Information Services Division, Foreign Agricultural Service, Room 5918, U.S. Department of Agriculture, Washington, D.C. 20250.

Argentine Bean Output Up, Other Pulses Drop

Argentina is harvesting a record crop of dry beans this year, but production declines of up to 40 percent are being estimated for other major pulses.

Output of dry beans is expected to reach more than 50,000 metric tons. This is nearly 70 percent above the 1965-66 outturn of 24,400 — a crop greatly diminished by rain and hailstorms at harvesttime. Planted acreage in 1966-67 declined slightly. Quality of the crop is considered good.

Argentina's bean crop includes limas, broad beans, and a type known as "triquito," which literally means "small wheat."

Production of dry peas declined by 39 percent from the 1965-66 level to 20,100 tons—though this compares favorably with the recent 10-year average. Although some yellow peas are grown, the bulk of the crop consists of green peas. Argentina remains Latin America's largest producer of dry peas.

Output of lentils, already harvested, has been officially placed at 12,900 tons—17 percent less than in 1965-66. High prices to farmers encouraged a sizable increase in area planted, but the crop suffered from unfavorable weather at harvesttime.

Official estimates place garbanzo production at 3,450 tons, 10 percent below 1965-66 outturn and the smallest crop in over 15 years. For this crop the decline in output about parallels the cutback in acreage.

Exports of pulses in calendar year 1966 rose by 37 percent to more than 39,000 tons, with dry peas accounting for most of the increase. Lentil exports declined slightly, and those of garbanzos—down to 491 tons—were insignificant.

EEC countries continued as top buyers of dry beans, with Italy taking over 40 percent of total shipments of 19,604 tons. However, Spain—in No. 2 position after Italy—is becoming an increasingly important outlet for beans as well as lentils. For dry peas, Latin America was again the major market, with Brazil and Peru taking 70 percent of total exports. Most of the lentils went to Latin America and Western Europe. West Germany, normally a major buyer of lentils, was virtually out of the market.

Meat Imports Subject to Quota Rise in March

U.S. meat imports subject to provisions of the Meat Import Act (Public Law 88-482) totaled 61.9 million pounds in March 1967, or 25 percent above such imports in March 1966. Imports for the first 3 months of the year, at 197.8 million pounds, were 23 percent above those in January-March 1966.

For all of 1967, imports subject to the law are estimated at 900 million pounds—95 million below the level which would trigger imposition of quotas.

U.S. IMPORTS OF MEAT SUBJECT TO MEAT IMPORT LAW (P.L. 88-482)
[Product weight]

Imports	March	Jan.-Mar.
	Million pounds	*Million pounds*
1967:		
Subject to Meat Import Law[1]	61.9	197.8
Total beef and veal[2]	68.0	215.1
Total red meat[3]	105.4	312.9
1966:		
Subject to Meat Import Law[1]	49.4	161.2
Total beef and veal[2]	49.9	171.9
Total red meat[3]	90.1	274.9
1965:		
Subject to Meat Import Law[1]	68.7	131.3
Total beef and veal[2]	73.0	142.7
Total red meat[3]	104.9	205.9

[1]Fresh, chilled, and frozen beef, veal, mutton, and goat meat. [2]All forms, including canned and preserved. [3]Total beef, veal, pork, lamb, mutton, and goat.

More Finnish Cattle Shipped to USSR

Under a recent trade agreement, Finland will export 520 bred Ayrshire heifers and 12 bulls from high-producing dams to the Soviet Union through May and June. Finland may also be granted an additional quota of breeding stock in the fall, as it was last year when cattle exports totaled 555 animals.

World Cattle Numbers Reach New High

A new record was set at the beginning of 1967 when world cattle numbers reached 1,140 million head—up 1 percent from 1966 and 17 percent from the 1956-60 average level. Numbers increased in all geographic regions. Moderate increases occurred in North America, South America, Western Europe, Asia, and Africa. The largest gains were recorded in the USSR, Eastern Europe, and Oceania.

Numbers in North America showed little change from a year earlier. Moderate declines in the United States and Canada were offset by a slight increase in Central America. The 1-percent increase in U.S. beef cattle numbers was more than offset by the 5-percent reduction in dairy cattle numbers.

Cattle numbers in Eastern Europe were up 2 percent from 1966 and 15 percent from the 1956-60 average. Increased cattle numbers in some areas have led to surpluses of dairy products. Continued low prices for dairy products could limit the expansion of cattle numbers in many European areas, since producers need favorable returns from both milk and meat in order to make the cattle enterprise profitable.

A total of 97 million head of cattle was reported in the USSR—up 4 percent from 1966 and 46 percent from the 1956-60 average. At least part of the rapid growth in cattle numbers has been attributed to the greater emphasis on raising more cattle on the small private plots. Cattle numbers increased substantially more in the private sector than in the socialized sector. Another factor has been good feed supplies and favorable growing conditions, particularly in the last few years.

Numbers in Oceania were up 3 percent in spite of heavy drought-induced slaughter in Australia in 1966. New Zealand—with the best pasture conditions in several years—showed a 6-percent increase in cattle numbers.

ESTIMATED WORLD CATTLE AND BUFFALO NUMBERS

Continent or area	Average 1956-60	1965	1966	1967
	Thousand	*Thousand*	*Thousand*	*Thousand*
North America	135,700	158,200	159,000	159,700
South America	154,700	176,100	185,700	188,300
Europe:				
Western	77,200	83,300	85,900	87,400
Eastern	30,300	33,100	34,100	34,800
Total Europe	107,500	116,400	120,000	122,200
USSR	66,400	87,200	93,400	97,100
Africa	112,500	127,200	128,600	129,700
Asia	377,200	408,700	413,800	416,800
Oceania	22,800	25,900	25,400	26,100
Total world	976,800	1,099,700	1,125,900	1,139,900

Thailand Has Record Rice Crop

Thailand's production of rice zoomed to a record level during 1966-67, according to unofficial estimates.

Forecast earlier in the season at 10.5 million metric tons, the Thai rice crop now appears to be well above that figure and the previous record of 10.2 million tons in 1963-64. And it represents a marked improvement from the 9.6 million tons produced in 1965-66.

Several factors contributed to this expanded output. Encouraged by a high government support of $57.50 per ton, Thai rice producers put practically all of the 17.8-million-acre rice area into production. More improved varieties were made available than in the past, and the crop in general was favored by the absence of the usual mid-monsoon dry weather drought. Crop damage—although severe in some areas—was at a minimum for the entire country.

One negative factor in this otherwise bright picture is the much lower milling outturn of first and second heads and the resultant increase in "brokens." This has placed a premium on top-quality milled rice, which is priced far above last year's, whereas brokens, being abundant, are well below 1966.

For this reason, plus the fact that stocks were drawn down sharply in 1966, the government has set a rice export goal quota for 1967 of only 1.5 million tons, compared with 1,460,000 last season and the record export of

1,924,000 in 1964. Of this quota, 625,000 tons have been allotted to government-to-government agreements, and the balance, to the private trade.

Pakistan's Exports of Cotton Decline

Exports of raw cotton from Pakistan for the first half of 1966-67 (Aug.-Feb.) totaled 192,000 bales of 480 pounds each, compared with 392,000 for the same period in 1965-66. Shipments to principal destinations in thousands of pounds, with comparable 1965-66 figures in parenthese are: Japan 37 (84), Mainland China 47 (101), and Hong Kong 67 (93). Export business with Japan has virtually halted because of disagreements regarding terms of sale, the main issues being Japan's insistence that insurance costs be absorbed by the seller, and that specific shipping dates be made at the time of sale. Alternate clauses are being worked up to submit to the Japanese Cotton Trade Association to improve the situation.

Delegations from Romania and Czechoslovakia are currently visiting Karachi, possibly intent on purchasing Pakistani cotton; and representatives from Pakistan are conferring in Mainland China to discuss the possibility of mutual industrial ventures and increased trade between the two countries. An agreement with Hungary has been reached, under which that country will receive Pakistani cotton and other consumer goods for manufactured items.

Cotton production in Pakistan for the 1966-67 season is officially estimated at 1,987,000 bales, compared with 1,915,000 in the previous year. The current crop was grown on 3,715,000 acres, slightly less than 1965-66.

Raw cotton consumption this season is expected to be slightly above 1965-66's estimated 1,300,000 bales.

Imports of cotton, all extra-long staple from the United States, are estimated at 10,000 bales during the 1966-67 season, compared with 7,000 bales in the previous year.

Pakistani cotton is currently being quoted in Liverpool at about 25.50 cents per pound for 289 F, sharply lower than earlier in the season.

Guatemala's Honey Production Up

Guatemala produced 5.6 million pounds of honey in 1966, according to industry sources. This represented an increase of 17 percent from calendar 1965.

The gain was reportedly due to excellent weather conditions and improved management practices. Another factor was the establishment of new colonies in the undeveloped area of Peten where flowering of jungle trees is abundant throughout the year. Honey production in 1967 is expected to remain near the 1966 level.

Guatemala's honey shipments in calendar 1966 amounted to 5.3 million pounds, up 18 percent from 1965; value was $605,091 against $527,953 in 1965. West Germany was the leading export market, taking 82 percent of total quantity exported.

Record Cocoa Bean Crop in Ivory Coast

Harvesting of the 1966-67 Ivory Coast cocoa bean crop terminated May 2 with a record 139,000 metric tons—a gain of 28 percent over the 1965-66 main crop.

The mid-crop season has been set to open on May 10, with growers' prices to remain unchanged at 70 CFA francs per kilo (12.86 U.S. cents per pound).

United Kingdom's Imports of Oilseeds and Oils

Imports of oilseeds into the United Kingdom in calendar 1966 totaled 801,000 long tons—8 percent less than the 904,000 tons imported in 1965 and 15 percent less than in 1964. Soybean imports remained at about the same level as in 1964 and 1965.

Increased imports of vegetable oils have more than offset the decline in oilseeds, apparent the past 3 years. Imports of peanut and palm oils increased substantially.

Marine oils declined slightly to 209,000 tons compared with 212,000 in the previous year. The steady gain in fish-oil imports—from 115,000 tons in 1964 to 191,000 in 1966—has been accompanied by diminishing imports of whale oil.

U.K. IMPORTS OF OILSEEDS AND OILS

Item	1964	1965	1966
	1,000 long tons	*1,000 long tons*	*1,000 long tons*
Oilseeds:			
Cottonseed	112	104	48
Peanuts[1]	147	91	78
Rapeseed	11	32	42
Soybeans	290	282	282
Copra	56	56	55
Palm kernels	191	204	166
Castorbeans	19	10	31
Flaxseed	114	125	99
Total	940	904	801
Vegetable oils:			
Cottonseed	11.3	32.5	35.5
Peanut	52.9	68.4	101.9
Soybean	17.1	21.2	17.1
Sunflower	4.6	2.3	5.0
Olive	3.1	2.9	2.5
Coconut	46.4	42.0	37.0
Palm kernel	.7	1.5	16.4
Palm	114.1	115.3	147.9
Castor	20.0	23.5	7.5
Linseed	42.2	40.9	35.2
Tung	4.9	5.3	4.7
Total	317.3	355.8	410.7
Marine oils:			
Fish[2]	114.7	176.2	191.0
Whale	41.6	16.9	4.5
Sperm	21.2	18.9	13.9
Total	177.5	212.0	209.4

[1]Shelled basis. [2]Excludes liver oils.

Tropical Products Quarterly and Unilever Ltd., the United Kingdom.

India's Vanaspati Production Down

India's production of vanaspati (hydrogenated vegetable oil) in 1966 was 357,227 metric tons, about 17 percent smaller than the record production of 428,762 tons in 1965.

Vanaspati production has increased steadily in recent years but was smaller in 1966 due to voluntary restraint exercised by the industry. From February 1966 through the remainder of the year, the vanaspati industry voluntarily reduced output by 20 percent in order to make more peanut oil available to liquid-oil consumers.

The pattern of vegetable-oil use in the manufacture of vanaspati during 1966 was as follows (in thousands of metric tons): Soybean oil 17.5; sunflower 11.7; cottonseed oil 57.5; sesame oil 27.2; and peanut oil 243.3.

Despite prospects of substantial imports of soybean oil under the current Public Law 480 program, production of

vanaspati in 1967 is expected to be around the 1966 level. This is due to a government directive requiring that vanaspati manufacturers keep production about 20 percent below that in 1965 in order to conserve liquid oil for direct edible use.

Brazil's Castorbean Production Increases

Brazil's 1967 production of castorbeans is estimated unofficially at 270,000 metric tons, 17 percent above the 230,000-ton estimate (also unofficial) of the 1966 crop but 24 percent below the officially estimated 355,026 tons produced in 1965. Castor oil production in 1967 is expected to approximate 100,000 tons—about the same as in 1966 but 40 percent below the high of 170,671 tons in 1965.

Producer prices for castorbeans in South Brazil during 1966 increased about 14 percent from the 1965 level, and the price outlook appears favorable this year.

According to preliminary data, Brazil exported 95,043 tons of castor oil in 1966, compared with record exports of 140,152 tons in 1965.

Several firms crushing castorbeans discontinued their operations during 1966 because of financial difficulties.

Nigerian Palm Purchases Decline

The Regional Marketing Boards of the Federation of Nigeria purchased 72,809 long tons of palm kernels for crushing and export in January-March 1967, compared with 96,877 tons in the same 3 months last year. Purchases of palm oil declined to 28,370 tons from 44,481 in the first quarter of 1966.

Prices for Nigerian palm kernels, c.i.f. European ports, on April 27 were quoted at the equivalent of $148.40 per long ton, compared with $145.60-$145.90 for the 2 previous weeks. This increase reflects delays in shipments due to the marketing problems resulting from internal political disturbances.

Through their sales agent, the Nigerian Produce Marketing Company, Ltd., the Nigerian Marketing Boards have complete control over exports of palm products as well as most other agricultural commodities.

French Imports of Olive Oil Increase

Total imports of olive oil into France in 1966 increased to 38,017 metric tons from 15,647 in 1965. The bulk of the increase reflected larger purchases from Tunisia—25,999 tons against 12,944 in 1965. Imports in 1966 also included 4,582 tons from Morocco, 3,195 from Spain, and 2,528 from Algeria.

U.S. Exports of Soybeans, Edible Oils, Meals

During September-March 1966-67, exports of soybeans from the United States totaled 162.8 million bushels, or 3.3 million less than the record high for these months last year. Among major importing countries, only Spain increased takings substantially compared with last year's volume.

Exports of edible oils during October-March 1966-67 amounted to 508.9 million pounds—175.0 million less than in the first half of 1965-66. The decline reflected a drastic drop in exports of cottonseed oil; exports of soybean oil, at 474.3 million pounds, were slightly above the volume in the same months a year ago.

U.S. oilseed cake and meal exports in October 1966-March 1967 amounted to 1.46 million short tons, or 13 percent below the record volume in the same period of 1965-66. Exports to the EEC amounted to about 864,000 tons and accounted for nearly 60 percent of total exports.

U.S. EXPORTS OF SOYBEANS AND PRODUCTS

Item and destination	Unit	March 1966[1]	March 1967[1]	September-March 1965-66[1]	September-March 1966-67[1]
SOYBEANS					
Japan	Mil. bu.	6.2	3.8	37.6	37.4
Netherlands	do.	3.6	2.2	24.1	23.0
Germany, West	do.	2.7	2.7	21.9	20.9
Spain	do.	1.7	2.0	11.1	15.4
Italy	do.	1.9	1.1	13.1	12.3
Canada	do.	.1	.7	15.3	11.2
Others	do.	5.4	5.0	43.0	42.6
Total	do.	21.6	17.5	166.1	162.8
Oil equivalent	Mil. lb.	236.7	192.5	1,823.6	1,787.4
Meal equivalent	1,000 tons	506.6	411.9	3,903.0	3,825.5
EDIBLE OILS		March		September-March	
Soybean oil:[2]		1966[1]	1967[1]	1965-66[1]	1966-67[1]
India	Mil. lb.	4.8	41.3	6.9	84.4
UAR, Egypt	do.	0	12.8	7.4	48.2
Tunisia	do.	5.3	7.8	16.6	45.1
Burma	do.	9.2	0	18.2	45.0
Pakistan	do.	0	42.0	100.3	42.1
Yugoslavia	do.	.1	2.0	44.6	27.8
Vietnam, South	do.	3.4	6.4	8.0	18.9
Greece	do.	18.4	1.0	27.6	14.7
Chile	do.	.2	0	1.9	12.6
Others	do.	29.7	25.6	236.7	135.5
Total	do.	71.1	138.9	468.2	474.3
Cottonseed oil:[2]					
Venezuela	do.	1.1	.9	16.4	15.1
UAR, Egypt	do.	15.8	4.4	25.4	7.9
Canada	do.	5.8	.8	30.6	3.7
United Kingdom	do.	([3])	1.3	([3])	1.3
Japan	do.	2.0	0	6.7	1.3
Sweden	do.	0	.8	6.8	1.0
Others	do.	13.0	.5	129.8	4.3
Total	do.	37.7	8.7	215.7	34.6
Total oils	do.	108.8	147.6	683.9	508.9
CAKES AND MEALS					
Soybean:					
Germany, W.	1,000 tons	45.3	36.9	282.5	265.3
France	do.	47.9	32.1	256.3	230.5
Netherlands	do.	17.4	30.7	179.9	168.2
Canada	do.	16.1	15.6	119.5	111.7
Belgium	do.	8.2	10.9	95.0	102.3
Italy	do.	18.4	4.4	116.5	97.7
Yugoslavia	do.	10.7	31.8	46.6	89.7
Denmark	do.	17.3	11.6	83.4	57.8
United Kingdom	do.	5.9	4.3	65.5	43.3
Poland	do.	10.4	9.2	64.1	30.8
Others	do.	29.5	33.3	220.8	183.2
Total	do.	227.1	220.8	1,530.1	1,380.5
Cottonseed	do.	9.1	.3	96.4	5.3
Linseed	do.	0	3.3	49.9	66.9
Total cakes and meals[4]	do.	239.5	226.1	1,684.6	1,462.4

Note: Countries indicated are ranked according to quantities taken in the current marketing year.

[1]Preliminary. [2]Includes Titles I, II, III, and IV of P.L. 480, except soybean and cottonseed oils contained in the shortening exported under Title II. Excludes estimates of Title II exports of soybean and cottonseed oils not reported by Census. [3]Less than 50,000 pounds. [4]Includes peanut cake and meal and small quantities of other cakes and meals.

Compiled from Census records.

Netherlands Prices on Canned Fruit and Juices

Selling prices in the Netherlands (landed, duty paid) of selected canned fruits and juices are shown below:

Type and quality	Size of can	Price per dozen units: April 1966	Jan. 1967	April 1967	Origin
CANNED FRUIT		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Apricots, halves:					
Choice	15 oz.	1.96	2.05	2.06	Spain
Quality not specified	500 gr.[1]	.....	1.89	1.86	Spain
Do	2½	.....	3.38	3.15	S. Africa
Cherries:					
Not pitted	2½	.....	6.80	6.43	Italy
Do	2½	.....	7.13	7.13	Netherlands
Pitted, sour	#10	15.75	.....	18.56	U.S.
Fruit cocktail:					
Choice, heavy syrup	2½	5.60	5.17	5.07	U.S.
Choice, light syrup	2½	5.44	4.94	4.81	U.S.
Do	303	3.48	3.22	3.15	U.S.
Peaches, halves:					
Choice, heavy syrup	2½	4.14	4.18	4.18	U.S.
Do	2½	.....	.....	3.94	Australia
Choice, light syrup	2½	3.91	4.08	4.01	U.S.
Standard, light syrup	2½	.....	.....	3.75	Australia
Do	2½	4.08	3.91	3.91	U.S.
Quality not specified, heavy syrup	16 oz.	.....	2.42	2.42	Italy
Pears, halves, heavy syrup	2½	.....	4.97	4.97	Italy
Pineapple:					
Choice, heavy syrup:					
Four whole slices	#1	1.66	1.72	1.72	U.S.
Eight round-cut slices	12 oz.	1.82	1.79	1.79	Malaya
Ten round-cut slices	20 oz.	2.62	2.55	2.55	Malaya
Whole slices:					
Choice	#2	3.55	3.35	3.35	U.S.
Heavy syrup	15 oz.	.....	.....	2.32	Taiwan
Chunks, heavy syrup	2½	3.85	3.88	3.88	U.S.
Pieces, heavy syrup	30 oz.	3.45	3.25	3.08	Taiwan
CANNED JUICE					
Grapefruit, unsweetened	#2	1.96	2.02	1.96	Israel
Pineapple, unsweetened, fancy	#2	1.72	1.82	1.82	U.S.

[1] 500 grams = 17.6 oz.

Downy Mildew Reduces Argentine Hops Crop

A fungus disease outbreak identified as peronospora (downy mildew) has reduced Argentine hops production to 256,000 pounds—down from the 284,000 pound 1966 crop. Imports still provide nearly two-thirds of domestic brewery requirements of hops. During the first 11 months of 1966, Argentina imported 284,000 pounds of which 88 percent came from the United States. In calendar 1965 imports totaled 392,000 pounds.

Argentine hops prices paid to growers are averaging 97 cents per pound of cones on wagon against $1.37 a year ago. The average import price is 82 cents per pound for U.S. hops, compared with 72 cents last year. West German hops are currently priced at $1.26 cents per pound (all import prices c. & f. Buenos Aires).

Australia Has Short 1967 Hops Crop

The Australian hops crop just harvested is believed to total only 3.4 million pounds—down 17 percent from the 4,119,000-pound 1966 crop. Main reason given for this drop-off was the large acreage just planted in Tasmania to the new wilt-resistant variety (Ringwood), which is too young to produce a crop this year. The bush fire in February is also reported to have caused some of the decline. The 1960-64 average crop totaled only 3,389,000 pounds.

Because of last year's large crop and heavy 1965-66 imports, carryover stocks were at a comfortable level at the beginning of this season, and there appears to be no need for Australia to import any substantial quantity of hops during the coming season. Imports for the years ending June 30, 1965, and 1966 were as follows:

Origin	1964-65	1965-66
	1,000 pounds	*1,000 pounds*
United States	135	391
United Kingdom	527	501
Belgium	228	120
West Germany	36	90
Yugoslavia	67	40
New Zealand	73	190
Others	.....	90
Total	1,066	1,422

New Zealand Hops Production Above Average

New Zealand's 1967 hops crop just harvested is preliminarily estimated at 1,008,000 pounds—28 percent above average, but well below the excellent 1966 crop of 1,072,000 pounds. Calendar 1966 exports totaled 157,000 of which over 90 percent went to Australia. In 1965. exports totaled only 99,000.

Swiss Cigarette Output Drops Sharply

Cigarette output in Switzerland during 1966 totaled 15,606 million pieces, down 18.2 percent from the 1965 high of 19,073 million. This sharp decline was caused by a retail-price increase for most brands of 20 percent, which went into effect on January 1, 1966.

All types of cigarettes produced in Switzerland last year showed declines from 1965. The combined output of oriental- and European-blend types dropped 25.7 percent, followed by the American blend with an 18.0 percent decline; Maryland was off 17.2 percent; Virginia, 14.5 percent; and dark types, 5.9 percent. As a percentage share of total output last year, the Maryland-type cigarette rose to 42.1 percent from 41.6 percent the year before. American-blend types rose to 40.8 percent from 40.7 percent. Both Virginia and dark types also gained, whereas oriental- and European-blend types dropped to 11.5 percent from 12.7 percent for the previous year.

Production by retail price categories last year show that in the price range 1.00-1.20 Swiss francs (23.3-27.9 U.S. cents) per 20 cigarettes the percentage share rose to 51.7

percent from 48.3 percent. On the other hand, cigarettes in packages retailing for 1.40 and 1.50 Swiss francs dropped to 47.6 percent from 50.2 percent. Cigarettes retailing for 1.60 Swiss francs and up also dropped—to 0.3 percent from 1.0 percent for 1965.

SWISS CIGARETTE OUTPUT, BY TYPES

Type	1965 Quantity	1965 Pct. of total	1966 Quantity	1966 Pct. of total
	Million pieces	*Percent*	*Million pieces*	*Percent*
Maryland	7,940	41.6	6,572	42.1
American blend	7,766	40.7	6,368	40.8
Oriental & European blend	2,424	12.7	1,801	11.5
Dark (domestic)	695	3.7	653	4.2
Virginia (flue-cured)	248	1.3	212	1.4
Total	19,073	100.0	15,605	100.0

Die Tabak-Zeitung, February 24, 1967.

French Tobacco Use Up Slightly

Factories of the French Tobacco Monopoly used a record 185.7 million pounds of tobacco last year, compared with 184.0 million in 1965.

Use of U.S. leaf dropped to 4.6 million pounds in 1966 from nearly 4.9 million in 1965. In 1966 U.S. leaf accounted for 2.5 percent of total usings, compared with 2.6 percent in 1965 and 3.1 percent in 1964.

Oriental leaf again increased its share of French tobacco use, rising from 21.3 million pounds in 1965 to 22.1 million last year.

Latin American tobaccos processed in French factories fell to 42.2 million pounds, from 47.1 million in 1965.

Domestic tobacco use rose from 76.5 million pounds in 1965 to 80.6 million last year. Use of processed sheet tobacco totaled about 5 million pounds last year; no data are available on the use of this type in 1965.

Thailand Expects Larger Tobacco Crop

Thailand's 1967 tobacco harvest is estimated at 89.2 million pounds from 172,000 acres, compared with 81.6 million from 162,000 acres in 1966.

The 1967 harvest of flue-cured tobacco is placed at about 43.7 million pounds—up from 31.6 million in 1966. Burley production, at 1 million pounds, is expected to be a little under the 1966 harvest. Oriental leaf production is estimated at 463,000 pounds, compared with 420,000 in 1966. Harvest of native sun-cured may total only 44 million pounds this year, compared with 1966's 48.5 million.

U.S. Tobacco Exports—March 1967

U.S. exports of unmanufactured tobacco in March 1967, at 39.1 million pounds, were about the same as the 39.3 million exported in March a year ago. The value, however, rose to $33.5 million from $31.7 last year.

For the July 1966-March 1967 period, exports of unmanufactured tobacco totaled some 486.5 million pounds, up 22.4 percent from 397.5 million for the 1966 period.

The value of tobacco product exports in March 1967 was $12.7 million, compared with $11.4 million in March 1966. For the first 3 months of calendar 1967, the total value of tobacco product exports was $32.0 million against $29.9 million for the January-March 1966 period.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO
[Export weight]

Kind	March 1966	March 1967	Jan.-March 1966	Jan.-March 1967	Change from 1966
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	28,037	26,165	72,240	77,829	+ 7.7
Burley	2,907	5,885	11,161	13,149	+17.8
Dark-fired Ky.-Tenn.	3,053	2,628	5,054	5,940	+17.5
Va. fire-cured[1]	342	623	1,278	1,504	+17.7
Maryland	1,079	818	1,864	2,511	+34.7
Green River	283	0	434	112	—74.2
One Sucker	6	15	43	82	+90.7
Black Fat	346	636	953	1,223	+28.3
Cigar wrapper	269	92	1,476	301	—79.6
Cigar binder	64	31	217	232	+ 6.9
Cigar filler	149	86	273	148	—45.8
Other	2,750	2,132	5,787	7,801	+34.8
Total	39,285	39,111	100,780	110,832	+10.0
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	31.7	33.5	83.9	93.4	+11.3

[1]Includes sun-cured. Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS

Kind	March 1966	March 1967	Jan.-March 1966	Jan.-March 1967	Change from 1966
Cigars and cheroots					*Percent*
1,000 pieces	7,582	5,753	15,898	13,307	—16.3
Cigarettes					
Million pieces	2,190	2,202	5,724	5,702	— 0.4
Chewing and snuff					
1,000 pounds	35	17	140	49	—65.0
Smoking tobacco in pkgs.					
1,000 pounds	69	125	231	305	+32.0
Smoking tobacco in bulk					
1,000 pounds	882	1,645	2,526	3,501	+38.6
Total declared value					
Million dollars	11.4	12.7	29.9	32.0	+ 7.0

Bureau of the Census.

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Correction—April 24, 1967, page 6, article on India's fertilizer imports, paragraph 3 last sentence is incorrect. Fertilizer with over 26 percent nitrogen can be safely transported; for example, urea, one popular fertilizer material, contains 46 percent nitrogen.

U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250

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Highlights of the Agriculture and Trade of Mainland China

Resources:—Mainland China is the world's third largest country (3.76 million square miles) and the second largest agricultural producer. With only 11-12 percent of its area cultivable, it has less than 8 percent of the world's cultivated land, yet it supports almost one-fourth of the world's population. About 95 percent of its more than 750 million people are crowded into the eastern third of the country. Cultivated land averages 0.35 acres per person, necessitating multiple cropping to support the population, which yearly increases about 2 percent. While deficient in forest resources (9 percent of the area is forested), the country has vast undeveloped mineral and other natural resources.

Agriculture:—Agriculture provides a livelihood for 80-85 percent of the population, supplies about one-third of the national income, and is the basic supplier of raw materials for light industry and export. Within the framework of its socialist model the Communist regime attempted to increase farm output, particularly food, by expanding cultivated land and increasing yields. However, agriculture became subservient to the industrialization drive: its self-generating capital was diverted, state investments were inadequate, and the ascendancy of ideology over technology altered productive capacity. Expansion of the cultivated area is impeded by unfavorable soil, climate, and topography in the western two-thirds of the country.

The major thrust has been toward increasing yields through intensive cultivation. After almost 2 decades of effort—including large expenditures for irrigation and water conservancy, mechanization, chemical fertilizers, and technical developments—the country is still deficient in food and fiber. Production of food crops, which dropped precipitously during the 1959-61 depression, has recovered somewhat since then. Production of food crops in the socialist sector in 1966 failed to meet consumption needs for the eighth straight year.

Food situation:—Historically Mainland China has had a food deficit. During the first decade of Communist rule it managed a surplus but at a decreased level of consumption. Since 1960, China has had to augment domestic food supplies with large quantities of food, mostly grain, from abroad. The diet is largely vegetarian—comprising primarily carbohydrates in a ratio of about 80 percent. This far exceeds the 65-70 percent carbohydrates considered adequate by nutritionists, where 17-25 percent of the calories are from fats and 13-15 percent from proteins. Although the supply of protective foods—produced mainly on private plots—has increased substantially since the 1959-61 depression, an imbalance continues between starchy and protective foods. Despite efforts by the government to cushion food scarcities through national stockpiling programs, year-to-year and often season-to-season fluctuations in agricultural production are reflected in consumption.

Foreign trade:—China's foreign trade, a state monopoly, is used as an instrument of both domestic and foreign policy. Prior to 1960, the pattern of trade was dominated by the exchange of domestic agricultural and mineral products and light manufactures for machinery and raw materials. Although the physical makeup of imports and exports reflected economic goals, the geographical direction was ideologically oriented.

Since 1960, both the commodity and geographical patterns have shifted dramatically. China's trade rose from $620 million in exports and $590 million in imports in 1950 to a peak of $2.2 billion and $2.1 billion, respectively, in 1959. They then dropped to $1.5 billion and $1.2 billion in 1962. This trend was reversed in 1963, and in 1966 it approximated the 1959 peak. Whereas Communist countries accounted for two-thirds of China's trade before 1960, the Free World accounted for almost 75 percent in 1966, or about the same ratio as prior to the advent of Communist rule.

Agricultural trade:—Farm products and finished manufactures made of agricultural raw materials constitute 60-70 percent of China's exports. Since 1960, however, a major portion of this revenue has been used to pay for food imports. In 1965 farm products (grain, cotton, sugar, jute) and chemical fertilizer constituted 45 percent of all imports compared to 4 percent in 1959. Since 1963, exports of agricultural products have increased, and in 1965 food exports about equaled food imports in value. After foodstuffs, cotton textiles was the single largest export earner.

—MARION R. LARSEN
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